



# FEED <sup>THE</sup> FUTURE

The U.S. Government's Global Hunger & Food Security Initiative



## FEED THE FUTURE MALAWI MOBILE MONEY ANNUAL REPORT

October 1, 2014 – September 30, 2015



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# Feed the Future Malawi Mobile Money

## ANNUAL REPORT (OCTOBER 2014 – SEPTEMBER 2015)

COOPERATIVE AGREEMENT NO. AID-612 LA 12-00001

### **October 2015**

This publication was produced for review by the United States Agency for International Development. It was prepared by FHI Development 360 (FHI 360).

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## Contents

<b>1. Background</b>	<b>5</b>
1.1. Program Overview	5
1.2 Summary of Program Results Framework and Development Hypothesis	5
1.3 Summary of Achievements during the Reporting Period	6
<b>2. Technical Assistance</b>	<b>9</b>
2.1 Legal and regulatory framework	9
2.2 Interoperability	10
<b>3. Capacity Building</b>	<b>10</b>
3.1 Private Sector Involvement-MMCG	11
3.2 Stakeholders Coordination	11
<b>4. Transition to Cash Lite</b>	<b>13</b>
4.1 Cost of cash analysis and transaction mapping	13
4.2 Pilots	13
<b>5. Ecosystem Development</b>	<b>17</b>
5.1 Public Awareness	18
5.2 Financial Literacy Trainings	20
5.3 Agent Capacity Building	21
<b>6. Integration</b>	<b>24</b>
6.1 PCI “NJIRA”	24
6.2 RTI “EGRA”	24
<b>7. Monitoring and Evaluation</b>	<b>25</b>
<b>8. Lessons Learnt to date</b>	<b>27</b>
8.1 Working with the private sector	27
8.2 Reporting on mobile money transactions	27
8.3 Government and District Council engagement	28
8.4 Integration of banking system	28
8.5 Adoption of mobile money at an organization level	28
<b>Annex A: Indicator Table</b>	<b>29</b>
<b>Annex B: Success Stories</b>	<b>29</b>

## Acronyms

ACE	Agriculture Commodity Exchange
BAM	Banker's Association of Malawi
CBOs	Community Based Organizations
CSR	Center for Social Research
DSF	Digital Finance Sector
EGRA	Early Grade Reading Activity
E-voucher	Electronic voucher
E-wallet	Electronic wallet
FGD	Focus Group Discussion
FISP	Farm Input Subsidy Program
FLTWG	Financial Literacy Technical Working Group
FMB	First Merchant Bank
GIS	Geographic Information Systems
IEC	Information Education Communication
ICT	Information Communication and Technology
MACRA	Malawi Communications Regulatory Authority
MBC	Malawi Broadcasting Cooperation
MFI	Microfinance Institution
MMC	Mass Media Center
MMCG	Mobile Money Coordinating Group
M-money	Mobile money
MNO	Mobile Network Operator
MoAIWD	Ministry of Agriculture, Irrigation and Water Development
MoEST	Ministry of Education, Science and Technology
MoF	Ministry of Finance
MSB	Malawi Savings Bank
MUSCCO	Malawi Union of Savings and Credit Cooperatives
MWK	Malawian Kwacha
NASFAM	National Smallholder Farmers' Association of Malawi
NGO	Non-governmental Organization
NPC	National Payments Committee
OIBM	Opportunity International Bank of Malawi
PCI	Project Concern International
RBM	Reserve Bank of Malawi
SACCO	Savings and Credit Cooperative
THP	The Hunger Project
TNM	Telekom Networks Malawi
USAID	United States Agency for International Development
USG	United States Government
VSLA	Village Savings and Loans Association
WFP	World Food Program
ZBS	Zodiac Broadcasting Station

# 1. Background

## 1.1. Program Overview

On September 3 2012, USAID awarded the two-year Mobile Money Accelerator Program (MMAP) to FHI 360 to focus on **scaling the usage of Mobile Money to boost financial inclusion**. FHI 360 has since received two amendments to the cooperative agreement, in June 2013 and again in May 2015, to extend the life of the project through November 2016. During the extension process, the award name was changed to Feed the Future Malawi Mobile Money to acknowledge the program's deeper emphasis on achieving results which contribute to Feed the Future goals.

The USAID Forward Initiative includes mobile money as one of its strategies to accelerate financial inclusion and helps achieve broader USG goals. These include increasing financial inclusion, improving transparency and rooting out corruption, and unlocking the private sector to develop innovative solutions to poverty.

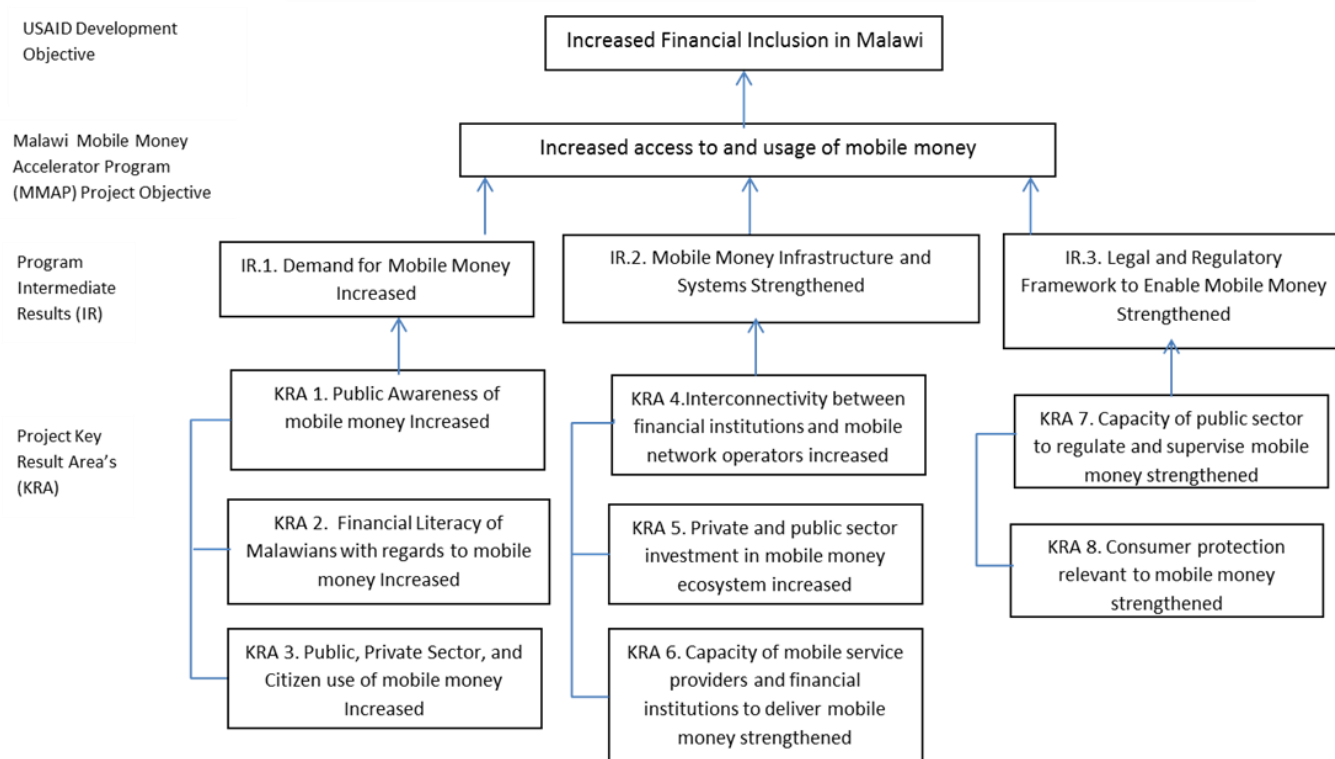
## 1.2 Summary of Program Results Framework and Development Hypothesis

The project results framework, presented in below, is a graphical presentation of the development hypothesis, overarching key result areas, the program's intermediate results and the overall project objective. The goal of the project is to increase access to and usage of mobile money, which will in turn increase financial inclusion in Malawi. The mutual determination of the public and private sectors is such that Feed the Future Malawi Mobile Money does not need to spearhead the push for mobile money in Malawi. Rather the project's goal is to ensure that the benefits are lasting and reach rural and agricultural areas of Malawi that do not have ready access to financial services.

The development hypothesis is that if a) the demand for mobile money is increased; b) the mobile money infrastructure and systems are strengthened; and c) the legal and regulatory framework to enable mobile money is strengthened; then there will be an increase in access to and usage of mobile money. The project has made progress towards the key result areas through the achievements detailed in this report. Our monitoring and evaluation approach is supported by data collected throughout the life of project. The specific performance monitoring indicators that we collect data against, and the measurement of results achieved during the reporting period are included in Annex A.

We have outlined the annual report using the framework of the five project areas: 1) technical assistance; 2) capacity building; 3) transition to cash-lite; 4) ecosystem development; and 5) integration.

## Malawi Mobile Money Accelerator Program (MMAP) Results Framework



### 1.3 Summary of Achievements during the Reporting Period

During this reporting period, Feed the Future Malawi Mobile Money has made steady progress to support the transition of organizations and providers to mobile money as a viable option for transactions which promotes financial inclusion. The primary focus over the reporting year has been on the implementation of various pilots as supporting digital ecosystem activities to reinforce successful pilot implementation. With several pilots now completed and many others underway, there is a strong push on monitoring and evaluation activities to ensure that the project is continually capturing best practices and correcting course when challenges are encountered.

Feed the Future Malawi Mobile Money has also begun furthering plans for integration with other USAID funded projects. While two of the completed pilots fall into this category, the project is currently in negotiations with an additional two partners to leverage gains made through USAID funded education and agriculture activities. The project has already planned a training for USAID partners on the "Journey from Cash to Electronic Payments, a Toolkit for Development Organizations and USAID Implementing Partners" to take place in November 2015 to equip partners to make changes in their organization in the new financial year.

Additionally, the project continues to show steady progress in a number of other areas. Under the agent capacity building component from October 2014, the project completed a comprehensive GIS mapping exercise that mapped transaction points in ten districts - Lilongwe, Mchinji, Salima, Mulanje, Blantyre, Machinga, Mangochi, Balaka, Mzimba, and Rumphi. The mapping exercise identified locations that might participate in a mobile money or branchless banking ecosystem either as agents or affiliated merchants and also identified and quantified major cash-based transaction patterns in selected geographies. The exercise also collected information relevant for mobile money pre-agent selection, agent selection, agent training, agent operations and support, and agent commissions. This information facilitated the development of an agent capacity building plan to help MNOs improve their agent recruitment and selection criteria. At the end of the reporting period, Airtel Malawi showed interest in using and expanding on the map to support their infrastructure development.

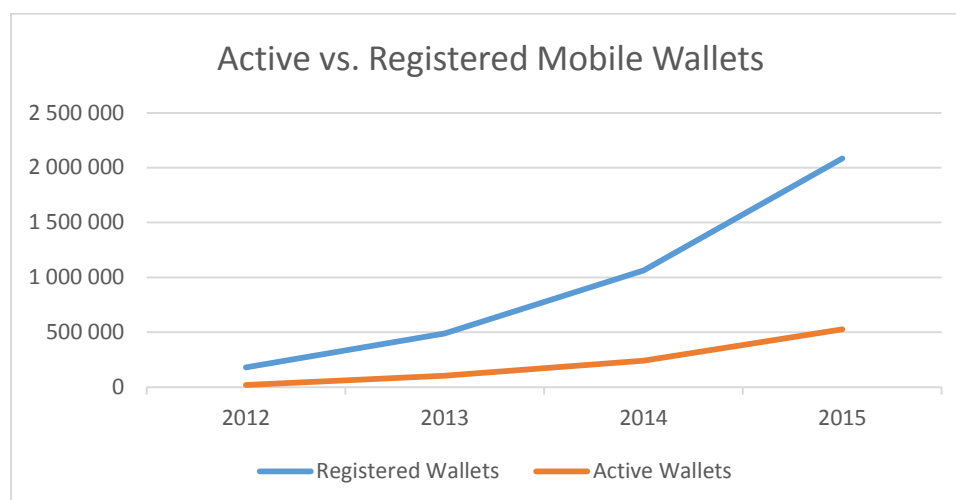
The project has also continued to provide technical and administrative support to the Mobile Money Coordinating Group (MMCG). On the administrative front, the MMCG has achieved tremendous success during the reporting period. For instance, the Reserve Bank of Malawi (RBM) approved the incorporation of the MMCG as a subcommittee of the National Payments Council, clearly demonstrating the support the MMCG is getting from the regulators such as the RBM. Further, the project supported the MMCG in developing a plan for the continued role of the Secretariat outside of FHI 360. Both of these milestones attest to the important work that the group is doing, buy in from stakeholders, and ensured sustainability to continue facilitating growth of the mobile money sector.

The MNO subscriber data that Feed the Future Malawi Mobile Money has collected continues to show improving trends. The number of registered mobile wallets nearly doubled in the last year reaching over 2 million. The percentage of mobile subscribers with an active mobile wallet is showing slow but steady progress, and has now climbed to over 25%. While this number has been showing steady improvement, the project continues to target efforts to getting it closer to 50% of the target number.

Regarding the agent network, the data collected in previous reporting periods revealed that this was a weak area that would benefit from more attention. The project's investments in this area have started to yield results. The number of active mobile money agents has begun climbing. In the past year, the number of active agents has increased from just under 40% and is inching closer to 50%.



Exhibit 1: Graph of number of Active Mobile Money Wallets vs. Registered Mobile Money Wallets against time



The table below indicated the trends in mobile money project cycle. The trend shows increase in trends and development on Mobile money ecosystem.

Table 1: Summary of Key Indicators throughout Feed the Future Malawi Mobile Money project cycle

	October 2012	October 2013	October 2014	October 2015
<b>Number of Mobile Subscribers (million)</b>	4.0	5.11	5.4	5.727
<b>Mobile Penetration</b>	28%	36%	38.5%	33.5 <sup>1</sup>
<b>Number of Registered Mobile Wallets</b>	180,000	489,516	1,062,000	2,084,457
<b>Number of Active Mobile Wallets</b>	18,000	103,861	242,000	528,068
<b>Percentage of mobile subscribers with active M-Wallet</b>	0.5%	21.2%	22.8%	25.3%
<b>Number of mobile wallet transactions during reporting period</b>				
Cash in	54,000	618,828	2,607,871	2,721,966
Cash out	54,000	87,625	1,092,998	1,307,901
Peer to Peer		50,566	300,462	521,208
Airtime top up	216,000	6,426,317	6,953,119	6,729,762
Other	72,000	248,920	274,602	5,041,751
<b>Total</b>	<b>396,000</b>	<b>7,431,896</b>	<b>11,229,052</b>	<b>16,322,588</b>



<b>Total Value of Transactions during reporting period (USD)</b>	1,512,000	1,087,500 <sup>2</sup>	8,715,909 <sup>3</sup>	70 972 000 <sup>4</sup>
<b>Number of Mobile Money Agents</b>	3,500	10,191	17,703	20,887
<b>Number of active mobile money agents (agents that were actually transacting)</b>			6,933	9,640
<b>Percentage of mobile money agents that are active (agents actually transacting)</b>			39%	46%

## 2. Technical Assistance

### 2.1 Legal and regulatory framework

For the past three years Malawi has seen different Governments come and gone. To date, none of the Parliament sittings has openly debated, nor passed any bill, nor amended any of the bills that would have highest impact on mobile and digital finance growth. These bills play a pivotal role in leap frogging the mobile and digital finance industry forward and empowering regulators to manage this space efficiently and effectively.

*Table 2: Legislative Bills and Acts*

No	Bill	Status
2	Communication Bill	Submitted to MICE
3	Electronic Bill	Submitted to E-Government
7	Credit Reference Bill	Reported to be tabled before
9	Financial Services Act	Drafting in Progress
15	Bill of Exchange Act	Reported to be tabled before cabinet committee

During this reporting period Feed the Future Malawi Mobile Money learned that the Payments Systems Bill and the Credit Reference Bills have finally passed through all the processes and scrutiny necessary for the amendments to be effected, and that they will be presented to the Parliament sitting in November 2015.

Despite the slow progress in building a conducive legal environment, the project and its partners, World Bank, Reserve Bank of Malawi, Malawi Communication Regulatory Authority (MACRA) continue to bring to the attention of policy makers some of critical issues affecting the regulation of the digital finance space. During this reporting period, Feed the Future Malawi Mobile Money finalized the Scope of Work for the legal and regulatory consultants who will help inform the stakeholders of the bills and acts that need harmonizing, and what actions should be taken to prepare and fully equip the Government of Malawi to regulate this industry.

## 2.2 Interoperability

With the assistance from the World Bank, the Government of Malawi has procured and deployed a national payments switch (NatSwitch Company Ltd). The switch is owned by multiple banks in Malawi through shareholder agreements, and is administered by the Banker's Association of Malawi (BAM). By the end of this reporting period all the banks in Malawi except New Finance Bank are now connected to the Nat Switch. These are MSB, OIBM, NBS Bank, CDH Investment Bank, Eco Bank, National Bank, and Indebank. Nedbank, FMB and Standard Bank. Overall oversight of Nat Switch is provided by its Board members.

During Phase 1 of the NatSwitch deployment banks are integrating only their ATM platforms. At the moment by the virtue of being connected to the National Switch as long as a customer has mobile banking facilities, they are now able to transfer money from their bank account to another account in the a different bank. At the helm of this initiative is National Bank of Malawi. Phase 2, which includes point of sale integration, was scheduled for May 2015 but has been delayed due to some technical challenges they have been facing during this integration period.

Throughout the process, the project has presented information briefings to the MMCG, RBM and BAM on the importance of allowing mobile money platforms to connect to NatSwitch. Currently, talks have already started with the MNO's. This phase will see the MNO's being connected to the NatSwitch by December 2015 according to RBM. In this phase the MNO's will be able to integrate with the Banks but not with each other. The next step is to open interoperability between the MNO's themselves. BAM remains hesitant and is requiring MNOs to submit a proposal to justify a connection to the switch. However, the MNOs believe they are being unfairly singled out and do not believe they should face additional requirements. RBM and BAM continue to work through key issues including regulatory jurisdiction and non-financial institution entry requirements.

## 3. Capacity Building

Capacity building for the Government and regulators of the mobile money industry remains one of the main objectives for Feed the future Malawi Mobile Money. Despite the inroads made in the mobile money and digital finance space in Malawi, the industry itself is still in its infancy. With this understanding of the industry, it is important for the regulators to be capable of providing oversight of the industry.

In May 2015, Feed the Future Malawi Mobile Money was asked to present at the Mobile and Digital Finance Conference in South Africa and a small group of Malawian regulators also attended. The GOM delegation included a representative from Ministry of Finance, Reserve Bank of Malawi and the Malawi Communication Regulatory Authority. The conference provided opportunities to interact with counterparts from different countries at different stages of mobile money evolution. The conference helped broaden their understanding of how policies should be addressed, and the type of support that financial institutions and mobile network operators need from regulators in order for the industry to thrive.

### **3.1 Private Sector Involvement-MMCG**

In its role as the acting Secretariat for the MMCG, Feed the Future Malawi Mobile Money called for three out of the four meetings that are supposed to be held in a year. One of the recommendations of that came out of the Mobile Money Coordinating Group Study was to let the private sector take leadership of the MMCG including the Chairmanship. This decision has been fully discussed in the past MMCG meetings and members have been informed that FHI 360 will be stepping down from this position. By the time that this report was being written, the transition had not yet happened, but is expected to be completed by December 2015.

The last MMCG was held on 7<sup>th</sup> May, 2015. The all-day meeting took place in Mangochi and during the first half of the meeting, members visited different mobile money agents as well as Bank agents. The field visits were organized together with TNM, Airtel, OIBM and NBS Bank. The MMCG members were able to appreciate what is happening on the ground and also meet some of the users of mobile money. Both the agents and the users of mobile money were able to share their experiences and how the service or product could be improved for it to be addressing particular needs of the market. It was agreed upon that every other meeting should involve a field visit in order to help the members keep abreast of issues on the ground and so they could retain their focus on MMCG's core objectives.

The MMCG is now a member of the National Payments Steering Committee (NPSC) that is chaired by the Reserve Bank of Malawi. During this reporting period, MMCG attended one meeting of the NPSC in Blantyre which was held at the RBM offices on the 25<sup>th</sup> June 2015. In this meeting MMCG presented itself to the group and gave a brief background of the group and its terms of reference. It was agreed that MMCG should not be part of the systems and automation subcommittee of the NPSC as previously agreed but as a stand-alone subcommittee which is ideal since the MMCG has representation from a wide variety of stakeholders that can help to shape the mobile money and digital space.

The last MMCG meeting scheduled to take place during the reporting period did not take place because the quorum was incomplete. The next meeting has been scheduled for November 25<sup>th</sup> 2015.

### **3.2 Stakeholders Coordination**

It is a known fact that the Mobile Money Industry in Malawi is still in its infancy stage, and as such, stakeholder engagement and coordination are key to discounting some of the myths surrounding mobile money. During the reporting period, Feed the Future Malawi Mobile Money continued to coordinate meetings and bring different stakeholders together in order to push forward the mobile money agenda.

With the invitation from USAID/Malawi, Feed the Future Malawi Mobile presented to other USAID implementing partners during financial management training on e-payments in Lilongwe and Blantyre on the 23<sup>rd</sup> and 30<sup>th</sup> October respectively. The project also worked directly with Save the Children, offering technical support with their Keeping Girls in School award for which they are using mobile money to pay the upkeep of the girls to their guardians.

It is during this reporting period that USAID/Malawi amended the project's agreement which presented new opportunities to engage with additional USAID Implementing partners to transition to digital payments. Feed the Future Malawi Mobile Money engaged with EGRA (RTI International) Perform (Tetra Tech), Fish (PACT) and Njira (Project Concern International (PCI) to discuss with them how best they can incorporate mobile in their projects and which payments streams can be first be piloted . These projects are at different stages in their project life cycle, and it is difficult for all of them to start using mobile money for programming or operational needs, particularly when they are in startup mode. At the end of this reporting period, Feed the Future Malawi Mobile Money has finalized concrete plans for assistance with EGRA and PCI. Despite only having two implementing partners on board, the project is continuing discussions with other implementing partners.

Lack of awareness and knowledge of mobile and digital finance products and services offered in the country still remains as one of the biggest challenges to Mobile Money adoption. A digital finance workshop was organized in September targeting the microfinance industry. Malawi is in the midst of preparing and working on acquiring a micro finance hub. This being made possible with the assistance from the World Bank. The micro finance hub is a switch which every micro finance institution is going to integrate with once it is operational. It is the micro finance hub that will integrate with the national switch. Once the micro finance integrates with the national switch, all Banks, MNO's and MFIs it help to leap frog money movement in Malawi. Based on this background the digital finance workshop was organized because microfinance industry engagement is critical to facilitate further adoption of mobile money and digital finance. The workshop was hosted by Feed the Future Malawi Mobile Money in conjunction with the Microfinance Network of Malawi (MANM) and all Malawian MFI's were invited and participated in the workshop.

Presentations on how to incorporate mobile and digital finance were delivered by different stakeholders including, Micro Finance Network of Malawi (MANM), Opportunity Bank of Malawi, Banker's Association of Malawi, TNM, Airtel and Feed the Future Malawi Mobile Money. This meeting provided an opportunity to the various stakeholders to engage in constructive discussion to help bring the MFIs into the digital era. Less than half of the MFIs have computers and have an accounting packages or software that they use. By them adopting Mobile Money and going the digital finance route there was a complete consensus from the group that this is the way forward for MFI. Mobile phones are easily accessible in Malawi as compared to accessing a Bank account.

The project's engagement with Malawi Savings Bank (MSB) abruptly came to an end. During this reporting period MSB had committed to integrate with Airtel, supported by Feed the Future Malawi Mobile to start piloting mobile money payments with Civil Servants, specifically teachers in Balaka and Machinga. It is during this reporting period that Government of Malawi, based on the recommendation from World Bank started talks of selling MSB since they had 100% ownership. Political interference from different political parties including the general public remained the number one challenge when it came to this exercise. For a couple months, uncertainty was the state of play over the sale of the Bank. MSB was unable to move forward with agreed upon activities because they were not sure whether the new owners, then unknown, would allow them to continue with mobile money pilots despite its management being

supportive of the idea. In the end, FDH Bank acquired MSB and became its new owners. FDH Bank in Malawi advised MSB to put the pilot on hold indefinitely.

## 4. Transition to Cash Lite

### 4.1 Cost of cash analysis and transaction mapping

Feed the Future Malawi Mobile Money has adopted the Payment Innovations Cost Utility Analysis <sup>5</sup> as a reference tool and guide for organizations to conduct a comparative evaluation of the non-financial and financial costs of using physical cash and e-payments in their pilot projects. At the end of the reporting period, the tool was administered by Feed the Future Malawi Mobile Money in collaboration with ACE to determine the results of the pilot project. The tool will also be administered on NASFAM and The Hunger Project pilots.

### 4.2 Pilots

Feed the Future Malawi Mobile Money supports and advances the growth of mobile money in Malawi through coordinated interventions that include strategic pilots as well as targeted technical assistance to key public and private sector stakeholders. Below is a summary of the pilots, highlighting the achievements, challenges, lesson learned and recommendations.

Table 3: Pilot Summary Table

Name of Pilot	Objectives	Major Achievements	Challenges	Lessons Learnt	Recommendations
FISP (e voucher)	To assess the efficiency of e-Voucher in 2014/15 Farm Inputs Subsidy Program in Malawi	<ul style="list-style-type: none"> <li>-The e-voucher system has reduced fraud, corruption and counterfeiting in the market</li> <li>-The system helps to track transactions from different agents in real time</li> <li>-It has also helped to reduce transaction costs especially among seed companies and agro-dealers as there is minimal movement of vouchers</li> <li>-The system has given an opportunity to farmers to have their vouchers replaced once stolen or damaged. The e-value of vouchers is a security</li> </ul>	<ul style="list-style-type: none"> <li>-The network availability was a big hindrance in most of the areas</li> <li>-The supply of legumes was erratic in most districts and that confirmed the assertions by the internal review team.</li> <li>-Some e-vouchers were mishandled by EPA staff, agro-dealers and farmers which resulted in failure to redeem inputs</li> <li>-Mushrooming of agro-dealers in the middle of project implementation affected quality of services provided to farmers. Most of these had to be trained on job.</li> </ul>	<ul style="list-style-type: none"> <li>-Frequent monitoring helped unearth critical issues which would otherwise degenerate into big problems</li> <li>-Continuous engagement of stakeholders to jointly work together in resolving E-voucher issues helped to identify and resolve the bottle necks in course of implementing the system timely</li> <li>-Access to information on E-voucher platform is vital in the implementation to all</li> </ul>	<ul style="list-style-type: none"> <li>-The country, through MNOs, needs to invest heavily in mobile network infrastructure before the e-voucher system is rolled-out nationally</li> <li>-The preparations for FISP should be done well in advance to give room for capacity building components targeting the farmers and agro-dealers</li> <li>-Government should consider involving the private sector in marketing (importation, warehousing, distribution, and retailing) of fertilizer</li> </ul>

<sup>5</sup> This is a workbook designed as a reference tool and guide for organizations to conduct a comparative evaluation of non-financial and financial costs of using physical cash and e-payments in their programming and administration

		boost among agro-dealers.		<p>stakeholders. It promotes transparency</p> <p>-Timely implementation of FISP is very important. The pilot project was behind schedule due to late communication and guidance from government.</p>	<p>-There is need to improve the design and access to information from the e-voucher platform to all key stakeholders especially at agro-dealers selling points.</p>
The Hunger Project	To migrate 200 micro loan recipients to receive loans via mobile money (TNM Mpamba) in Blantyre (Mpingo) and Ntcheu (Champiti).	<p>-Three micro-loan clubs from Champiti (Ntcheu) received their microloans amounting to MWK 800000.00 via TNM mobile money service. These clubs had a total of 25 members comprising 23 females and 2 males. This brings the total number of micro-loan beneficiaries receiving loans via mobile money under the pilot to 48. (Twenty three beneficiaries received their micro loans via mobile money in year two)</p> <p>-A number of pilot participants that were trained on mobile money and financial literacy under the pilot were regularly using mobile money in their financial transactions</p> <p>-The pilot has also had significant benefits for women in terms improving security of their cash savings.</p>	<p>-In the first quarter of year three, implementation of the pilot was put on hold while finalizing a grant agreement for the pilot to proceed; it resumed in March 2015</p> <p>-Due to a number of factors (long distances to access mobile money agents, daily allowable cash out limits and low levels of liquidity), clubs spent significant amount of money on transport, lunches and cash out costs in the process of cashing the money. If the clubs were to cash out the money at one go, each group would have spent only MWK 1200.00. However, each group had to spend at least MWK 3600.00 as they had to make more than one trip to cash out the money.</p>	<p>-Sometimes MNOs present delays in blasting the loan disbursements which results in beneficiaries getting frustrated</p> <p>-In an environment where end users still have to use physical cash to pay for most services, extra steps needs to be taken to ensure liquidity among local agents</p> <p>-The daily cash-out limits may not work well with micro-loan groups. In this pilot, club micro-loan recipients had to cash out the money they received over a period of almost three days due to cash out limits (MWK100,000/day during that time). In the process, clubs spent significant sums of money on cash-out costs, transport and lunches for those who were travelling to cash out the money.</p>	<p>-There is a need to lobby Malawi's central bank (RBM) to set daily cash out limits on a case-by-case basis to accommodate some situations such as financial transactions for community based structures.</p>



Malawi Savings Bank	To integrate civil servants' bank accounts with their mobile money accounts (Airtel Money) to enable them access financial services quickly and easily, especially those in remote, rural areas.	<p>-Agency network capacity building was done through training mobile money agents in the target districts (34 in Balaka; 31 in Mulanje)</p> <p>-Baseline survey tools for the pilot were developed and got approved by the IRB. However, data collection for the survey was waiting successful integration of MSB to Airtel banking systems.</p>	<p>Not much progress has been made with the pilot due to the following:</p> <p>-First, the progress was affected by Airtel Money's process of upgrading their core banking system. This process was finalized in March 2015</p> <p>-Second, MSB was going through recapitalization process February 2015 that involved selling off some of its shares to strategic partners. With this recapitalisation process, MSB was not able to move on with implementation of the pilot as management was advised not go ahead with any new initiatives. The recapitalisation process came to end in July 2015, with FDH Bank emerging a successful strategic partner.</p> <p>-Lastly, in July 2015, MSB submitted a letter of withdrawal from the pilot.</p>	-Structural changes in partner organizations may have adverse effects on the overall progress of the project.	
MUSCCO	To support MUSCCO to implement the mobile-enhanced technology based delivery of financial services to its clients in five SACCOs to benefit 30,129 micro loan clients.	-In September 2015, MUSCCO's core banking system was successfully configured with Airtel Money's core banking system.	-The pilot got off to a slow start due to the technical glitches it encountered when attempting to integrate with other systems. Configuration of MUSCCO's core banking system to Airtel Mobile money system, took longer than expected. This configuration was being done by Craft Silicon software engineers from Kenya.	-In the course of implementing the pilot, MUSCCO realized that certain critical costs of the pilot, especially procurement of some equipment, were not budgeted in the pilot. This suggests a need to provide for budget revisions in pilots to take into account emerging issues.	-There is need to increase the pace of implementing the pilot.
CARE	To migrate VSL transactions from cash-based to mobile money targeting 3,200 VSL participants from 160 VSL groups in Lilongwe district.	-By the reporting period, a revised implementation plan for the pilot was in place.	-Contract for the pilot took longer to get approved and it will be implemented in the new financial year.		



ACE	To integrate mobile money payments into ACE Warehouse receipt system ,	<ul style="list-style-type: none"> <li>-Partnership Development</li> <li>-Communication and awareness,</li> <li>-Financial Literacy Trainings for beneficiaries,</li> <li>-TNM ACE&amp; AIRTEL Inter connection,</li> <li>-Opening of mobile money Accounts</li> </ul>	<ul style="list-style-type: none"> <li>-Budgetary constraints as some key activities were not budgeted for in the original budget</li> <li>-Timing and duration of the pilot resulted in failure to achieve some of the intended results</li> <li>-Lack of positive response from Airtel.</li> </ul>	<ul style="list-style-type: none"> <li>-Mobile money is new innovation as such adequate time is required to achieve meaningful results for instance follow up meetings to the 18 trained farm organizations /groups has resulted in the opening of 255 TNM Mpamba accounts .It can be assumed that if all 84 trained groups were followed up more account could have been opened</li> <li>-The pilot project closed before active warehouse receipts deposits and trade facilitation, it would have made a significance difference if the pilot could have extended to the peak of selling season to enable farmers who will trade with ACE test system.</li> </ul>	<ul style="list-style-type: none"> <li>-Need for more Financial literacy trainings and follow up meetings with farmers trained and those who opened mobile money accounts</li> <li>-Need to test the ability of using mobile money on vendors who pay out loans attached to the warehouse receipt to build confidence of the system.</li> </ul>
NASFAM	To use mobile money as a payment mechanism to farmers and to promote financial inclusion among NASFAM farmers	<p>Despite the fact that the Pilot suffered a lot of setbacks that were beyond the project's control. NASFAM achieved the following;</p> <ul style="list-style-type: none"> <li>-Improved security of the cash</li> <li>-Reduced operational costs</li> <li>-Increased awareness on use of mobile money</li> <li>-Capacity building of farmers</li> <li>-Agent's network establishment and capacity building.</li> </ul>	<ul style="list-style-type: none"> <li>-Registering of buyers to use mobile money: This exercise took much longer than anticipated as such only very few registered</li> <li>-Pricing of farmers' produce for payment using mobile money: It transpired that the prices that NASFAM was offering were not competitive as such farmers opted to sell their produce to middlemen</li> <li>-Pilot field level coordination: There was poor coordination among the key players particularly within the NASFAM structures as such crucial information about the pilot was poorly disseminated.</li> </ul>	<ul style="list-style-type: none"> <li>-Engage other traders for the program: The challenge of market prices negatively affected the use of mobile money transactions in this pilot. As such, there may be benefit from incorporating external traders. This would mean they can have their buyers registered as agents and carry out mobile money transactions at a particular center</li> <li>-Improve TORs for buyers: The pilot revealed the need for associations to improve the criteria used to hire buyers for the marketing season as some buyers did not have ID which was necessary for registration as a mobile money agent. Should the program roll out next</li> </ul>	<ul style="list-style-type: none"> <li>-Program to roll out to other IPC: In view of the benefits mobile money transactions bring, it was felt that the program could be replicated to other NASFAM IPC offices. Dealing with physical cash transfers poses a great risk, particularly given that during marketing people are well aware of the cash exchanges taking place between NASFAM officers and buyers at market centers.</li> <li>--Furthermore, carrying money to centers means every week money has to be moved to the centers incurring additional costs.</li> </ul>

				<p>season, especially to other IPCs, there will be need to come up with better ToRs to suit the role of an agent</p> <p>-To improve on coordination a specific person focusing on the mobile money pilot should be appointed: There would have been better coordination of the pilot and more involvement from NASFAM if there had been a member of staff focusing solely on the pilot. If the program is to roll out to other IPCs, there will be need for specific personnel to take charge of proceedings till the program is up.</p>	
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## 5. Ecosystem Development

Feed the Future Malawi Mobile Money ecosystem development programming consists of technical assistance to various program entities to support the establishment and deployment of an m-money public awareness campaign through media and outreach activities, as well as broader financial literacy initiatives that include financial literacy and mobile money training to support financial inclusion for the base of the pyramid. It also involves capacity building efforts, building awareness around agent network management and introducing relevant approaches and tools to the Malawi market.

### Key Highlights under Ecosystem Development

- A total of 184 agro dealers in four districts were recruited and trained to become mobile money agents.
- GIS Mapping workshop targeting key stakeholders was organized to orient the participants on how to use the geo spatial map of transaction points.
- An Agent Capacity Building plan to assist MNOs in selecting, recruiting and training mobile money agents was developed.
- 62,100 Information Education Communication materials, including reflector vests, posters, fliers and stickers, were produced and distributed to the public.
- 750 of Radio and TV spots, comedies, and documentaries pertaining to mobile money topics were broadcasted on MBC and Zodiak, the two leading broadcasters in Malawi
- A total of 2,500 subscribers opened mobile money accounts as a result of the roadshows that were organized jointly with the Mobile Network Operators.
- A total of 24,000 individuals attended the community meetings, drama performances and roadshows.
- Financial literacy training was conducted by Feed the Future Malawi Mobile Money for 2,178 people

## 5.1 Public Awareness

Public awareness still remains a critical element to stimulate effective demand for mobile money in Malawi. Therefore the project continued to emphasize public awareness interventions through various initiatives led by subcontractor, Mass Media. During the reporting period, the following key public awareness creation initiatives were undertaken:

### 5.1.1 Outreach Activities

Outreach activities concentrated on two main components—community meetings and community dramas. These provided the general public an opportunity to seek clarity on any misconceptions they had about mobile money.

*Community Meetings* – A total of 20 community meetings (a minimum of 3 meetings per district) were conducted during the reporting period targeting project priority districts, these are Mchinji, Lilongwe, Mzimba, Rumphi, Blantyre and Mangochi and specific areas such as Malingunde where the NASFAM pilot is being implemented. Among key groups engaged, the community meetings engaged Village Savings and Loans (VSL) groups from the project implementation sites.

*Community Dramas* – A total of 31 (a minimum of 5 performances per district) participatory community drama performances were conducted in Blantyre, Mangochi, Lilongwe, Mchinji, Rumphi and Mzimba. The participatory drama performances gave communities the opportunity to access mobile money messages emphasizing various aspects of the mobile money processes including registration, usage, and its economic and social importance. This medium has proven effective because the performances are rooted in everyday life and reinforce the advantages of mobile money in a culturally familiar way.

### 5.1.2 Media Campaign

The project, with subcontractor Mass Media Centre Limited (MMC), launched a media campaign centered on radio and television transmissions with advertising, comedy and documentary programming. MMC also included other outdoor media channels such as billboards in strategic areas, reflector vests for moto taxis, as well as Information Education Communication (IEC) materials (fliers, stickers, leaflets and posters of various sizes). During the same period MMC also designed a Facebook page<sup>6</sup> and a blog site<sup>7</sup>. Based on feedback and responses from the audience during the community outreach meetings, these efforts were successful in creating public awareness and clarifying misconceptions around mobile money. . Documentaries and comedies were particularly helpful as they provided the audience with context on different scenarios where mobile money would prove essential.

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<sup>6</sup> <https://www.facebook.com/pages/Mobile-Money-Malawi/727774520649766?ref=hl>

<sup>7</sup> <http://www.mobilemoneymw.com/>

*Radio and Television* – Radio and television messages were transmitted through three broadcasters: Luntha TV, Malawi Broadcasting Cooperation (MBC) TV, and Radio and Zodiak Broadcasting Station (ZBS). . MMC engaged an independent media monitoring firm to verify the media monitoring reports from broadcasters. This helped to provide documented evidence which was used to follow up with broadcasters whenever there were inconsistencies in the reports

*Table 4: Summary of Project Radio and TV Programs*

Mass Media Product	Airings
Radio Spots	435
Radio Comedies	45
Radio Documentary	43
Television Spots	215
Television Comedy	49

*Billboards* – A total of eight billboards with the message” **calling for people to use mobile money**” (see photo right) were mounted – three in Blantyre, four in Lilongwe, and one in Mangochi. The billboards enhanced the visibility of the project and augmented the other mass media activities.

*Information Education and Communication (IEC) Materials* – IEC materials were produced to disseminate specific messages as well as enhance visibility. All materials were distributed during the community outreach campaign and through the project’s and MNO distribution networks including airtime distributors, TNM / Airtel dealers and mobile money agents. 500 reflector vests were distributed to various people in the six districts that included the bicycle taxi operators to provide broader exposure to the population about mmoney services.



*Billboard at Chitukuko in Lilongwe*

*Comic Strip, Chichewa Column and Print Media Publication* – During the reporting period a total of ten comic strips and ten Chichewa Newspaper columns were published in Mkwaso Newspaper, a leading paper that targets rural populations in Malawi. The Chichewa columns were designed to educate the rural masses about mobile money and how they can effectively use the e-value to either buy goods and services or send and receive money. The comic strip and the Chichewa column became a regular feature in the paper appearing in full color on the second page of the publication – a development that helped to strengthen the awareness. There was a deliberate strategy to develop the comic strips based on Feed the Future Malawi Mobile Money radio scripts as a way of reinforcing messages that encourage people to maintain e-value when purchasing using mobile money. In addition to the comic strips and Chichewa columns a total of five feature articles on mobile money appeared in the leading daily newspaper and other popular blogging

sites including online newspapers. The feature articles showcased success stories and best practices emanating from the awareness campaign.

### **5.1.3 Key Lessons Learned from Public Awareness Efforts**

- There is a great need to market mobile money differently to urban and rural populations. They have different needs and seem to respond to different aspects of mobile money. A good example is an emphasis on bill payment which mostly applies to the urban population.
- It is important to note that raising awareness in itself will not increase trial and adoption of mobile money if the ecosystem is not capable of incorporating new subscribers due to agent capacity, agent liquidity, or network challenges. Increasing awareness can have negative impacts as potential users try and fail to use mobile money successfully.
- Involvement of MNOs in outreach activities is pivotal. Engaging the service providers has shown huge potential in maximizing campaign outreach results. For instance, the presence of the MNOs enabled the communities to secure on spot registrations, witness live demonstrations of transactions, and seek clarity on issues regarding mobile money. The MNOs managed to deal with all pertinent issues that require their direct responses such as high tariffs among other things.

## **5.2 Financial Literacy Trainings**

### **5.2.1. The Mobile Money and Financial Literacy Manual**

The project is in the final stages of revising and updating the Mobile Money and Financial Literacy Manual. The revised version includes new and updated material on financial literacy. Much more detail has been added on how to budget for personal income, how to save money, the importance of saving money for retirement, and why health insurance is important.

### **5.2.2. Tipsheet for Migration to Mobile Money**

The project produced a Tipsheet (step by step guide) to help organizations and companies to migrate to mobile money/electronic payments. The Tipsheet helps organizations to identify their cash payment streams, how to choose a service provider, how to assess the organizations capacity to migrate to m-money Payments and then a guide on integration and rolling out. The Tipsheet also briefly outlines the benefits of using m-money Payments. Additionally, a brief handout was produced on the myths and truths of mobile money. This includes some of the common misperceptions about mobile money from the perspective of both the end user as well as organizations interested in using it. The information contained in the tipsheet will assist the end users to make using mobile money much easier.

### **5.2.3. Financial Literacy and Mobile Money Trainings under Pilot Projects**

During the reporting period, mobile money and financial literacy trainings were conducted for the NASFAM pilot, Agricultural Commodity Exchange, and for selected agro-dealers that were involved in the e-voucher pilot. These trainings have been reported under the respective pilots

### 5.3 Agent Capacity Building

An important project work stream is the continued development of agent networks to support a range of payment stream and financial inclusion initiatives. Focusing on data collection, analytics, and strategies, the project directly engages MNOs Airtel and TNM as well as other relevant parties (e.g. current or potential mobile money agents) to build agent capacity and expand geographic reach. Capacity building activities have centered on the development and socialization of a comprehensive Agent Capacity Building Plan. The plan focuses its efforts at three levels within each service provider: senior management, line management, and operations/field staff.

A key analytic component to agent capacity building is the project's recently completed geospatial mapping exercise. Within the ten districts targeted, a total of 952 mobile money agent locations were identified and mapped. This includes agents exclusive to Airtel and TNM as well as agents providing both services. Service providers received multiple briefings on the geospatial mapping results, with an emphasis on agent performance and potential agent locations. The data suggests that current network footprints for both providers are relatively dispersed geographically. Agent concentrations are not exclusive to major cities. Further, agent network footprints outside major cities are not predominantly restricted to District centers also known as BOMAs.

*Exhibit 2: Agent Network Distribution & Maturity of Agents*

Agent Locations		
952	Total # of Agent Waypoints Collected	
482	Inside Major Cities (LLW, BTY, MZ) (51%)	
470	Outside Major Cities (49%)	
	<u>Location</u>	<u>Count</u> <u>% of total</u>
	BOMA	95      20.21%
	<b>Lg Tdg Ctrs</b>	<b>249</b> <b>52.98%</b>
	Sm Tdg Ctrs	103      21.91%
	Village Roadside Pts	22      4.68%
	Blank	1      0.21%

In fact, over half of the agents outside major cities are located in large trading centers, which for the purposes of the analysis indicate locations that are not as geographically big or as economically dense as BOMAs. Additionally, the both agent networks are relatively mature with a majority of agents self-reporting they have been offering mobile money services for twelve or more months. The field collection tool and protocols also directed GIS Field Teams to assess the activity levels of each agent either through directly asking them or observation and inquiry of others nearby who might be in a position to comment. Activity levels of agents were high, irrespective of location. Inside major cities, 90 percent of agents were observed or self-reporting being active, with agents outside major cities not far behind at approximately 85 percent.



*Exhibit 3: Agent Activity (Major City & Non-Major City locations)*

Observed/Self-Reported Activity Levels		
Outside Major Cities	Active	85.11%
	Inactive	14.89%
In Major Cities	Active	92.74%
	Inactive	7.26%

Following the completion of this preliminary mapping effort, a sensitization and training workshop was organized in April 2015. This workshop was open to all stakeholders with a vested interest in the continued growth and expansion of the DFS sector in Malawi. Multiple representatives from both MNOs, select government ministries (e.g. Ministry of Gender), and other organizations attended. A full list of the attendees appears below:

- Airtel
- TNM
- Ministry of Gender
- Malawi Post Corp
- WFP
- Save the Children
- Oxfam
- Concern Universal

The workshop was designed to be experiential. After an introductory presentation focusing on the GIS data visualization tool's design, content, and practical application, and workshop time was heavily weighted toward a variety of simulation-based activities that also allowed for open conversation and participant-driven Q&A exchanges. Workshop facilitators also actively solicited feedback from attendees to determine what kinds of additional enhancements or modifications were desired. Based on these comments, the following modifications were made:

- Specific user logins and passwords were issued to different key local stakeholders:
  - DFS service providers
  - Regulators
  - Gov't
  - Donors
- Additional database coding to ensure that specific data sets proprietary to an individual DFS provider were only visible to that provider and the relevant regulatory, government, or donor entities.

Another key area of investigation is the ability of the agent to execute transactions. In our review of mobile money agents, less than half visibly displayed the appropriate agent PIN. On the positive side, over 80% of the team found conducting a mobile money transaction to be "quick and easy". Additionally, Over 80% of team members interviewing agents found agent knowledge to be "strong" or "very strong".



In addition to the insights gained through the geospatial mapping exercise, the team also collected foundational information on capacity building requirements through a field assessment (Malingunde – April 2014) and an agent workshop (February 2014). From these direct interactions with mobile money agents and selected mobile money customers, the following issues were identified:

- Insufficient float capital limited agent's ability to conduct required transactions (e.g., cash-in/cash-out)
- Poor mobile network signal impact transaction success rate
- Lack of product knowledge adversely impacting agent's ability to assist customer
- Lack of provider support leaving agent's feeling isolated and without access to corporate resources (e.g., managers, technical support, customer service support, call centers)
- Lengthy registration process impacting willingness of agents to register customers vis-à-vis conducting other transactions (e.g., selling airtime, selling consumer goods)
- Transaction reversal delays impacting agents ability to provide quality customer service
- Commission delivery delays impacting agent motivation

Developing mechanisms to address these issues as well as issues raised during the geospatial mapping exercise are the core technical focus of the capacity building plan.

Based our analysis and findings from multiple field-based activities as well as discussions with mobile money service provider staff we have identified a set of four topic areas that represent the primary functional needs of the service providers and form the functional framework for the capacity building plan and on-going project activities.

- Agent Selection
- Agent Expansion
- Agent Management
- Agent Training

## 6. Integration

Feed the Future Malawi Mobile Money efforts under integration aim to accelerate the implementation of USAID/Malawi's 3C integration approach (Coordination, Collaboration, and Co-location) through three concurrent lines of intervention.

### Key Highlights for Integration

- Successfully collaborated with INVC to integrate mobile money in the legumes value chains (with NASFAM) and warehouse receipt system (with ACE)
- ACE successfully integrated mobile money and financial literacy training in their commodity exchange training
- Sensitized and trained 2500 ACE farmers out of which 250 farmers opened mobile money accounts
- Finalized joint integration work-plans with the following USAID funded projects – PCI "NJIRA"; RTI "EGRA" and Tetra Tech "PERFORM"

### 6.1 PCI "NJIRA"

The Njira Project implemented by PCI Malawi in coordination with Feed the Future Malawi Mobile Money identified mobile money and financial literacy training as an activity for integration. The Njira project works to forge pathways to sustainable food security for the most food insecure households in the Balaka and Machinga districts. It is designed to address the unique livelihood, health, nutrition, and risk mitigation needs of food insecure households, and build on previous PCI successes in the area, expanding PCI's food security impact to six new sub-districts. To achieve this PCI conducts a series of trainings to build the capacity of the beneficiaries.

This pilot, scheduled to commence in November, 2015 will seek to integrate mobile money and financial literacy in all Njira capacity building initiatives both as a payment channel to improve efficiency but also as a content delivery vehicle to enhance product awareness.

### 6.2 RTI "EGRA"

FHI 360 through the Feed the Future Malawi Mobile Money and RTI through Early Grade Reading Activity (EGRA) have identified the transition to mobile payments as an area for integration. RTI implements the 3+ year contract for the Early Grading Reading Activity. The project is designed to provide technical assistance to the Ministry of Education, Science and Technology (MoEST) to improve the reading performance of Malawian learners in standards 1 to 3. EGRA will improve early grade reading achievement through improved early grade reading instruction, greater parental and community engagement in providing reading support, and a strengthened policy environment to support early grade reading. The project's activities will be focused in 11 education districts across Malawi.

This pilot, scheduled to commence in December 2015, will seek to integrate mobile money and financial literacy in EGRA training activities both as a payment channel to improve efficiency as a content delivery vehicle to enhance product awareness. In order to achieve this, a joint integration plan has been developed and the following are some of the proposed activities:

- District engagement and beneficiary mobilization
- Assessing mobile phone network
- Ecosystem development – setting up the agent network
- Mobilizing communities and members of staff and registration of mobile money accounts
- Capacity building

## 7. Monitoring and Evaluation

### Key highlights

- Baseline surveys were conducted for pilots to provide baseline data against which to measure pilot progress
- Project continued documentation of emerging success stories
- A web-based M&E database has been developed that will help the project to effectively store and manage its data including generation of customized reports
- E-voucher project underwent an evaluation
- All training exercises were subject to pre and post-tests. In this reporting year, the minimum pre-test score registered was 35% while the minimum post-test score 72%.

During the reporting period, interventions that demonstrated emerging success were documented. These include the e-voucher pilot, ACE pilot and Hunger Project pilot (see Annex B).

Measuring of project progress was also strengthened through collection of baseline data for pilots. In December 2014, Feed the Future Malawi Mobile Money conducted a baseline survey for the NASFAM pilot. In February 2015, the project supported ACE to collect baseline information for the pilot against which progress will be measured. At the time of preparing this report, preparations were underway for an end line assessment for the ACE pilot. Findings of this end line assessment will be compared to the baseline survey findings to evaluate the added value of the project on target beneficiaries.



*Participants undertaking a pre-test during a refresher training for Nasfam pilot: March 2015*

Field visits formed a key part for monitoring and confirming progress of activities. Both the e-voucher, public awareness campaign and the other pilots for the project were subject to regular field visits by project staff and partners. These visits helped to give first-hand information in terms of progress of activities as well as any need for immediate course correction. For example, it was through these field visits that corrective measures were made by management when the e-voucher system was not functioning satisfactorily in the

first few weeks of farm inputs redemption in November 2014. It was also during such field visits that challenges encountered by Hunger Project pilot beneficiaries in cashing out their micro-loans were noted and solutions identified jointly with the pilot participants. These issues were also shared during a national digital finance workshop, attended by high level stakeholders, including MNOs, MFIs and senior government officials, in September 2015.

In August 2015, the project commissioned a third party evaluation for the e-voucher pilot. At the time of preparing this report, analysis of findings and preparation of the report was at an advanced stage. It is planned that the findings will be shared at a high level meeting to be attended by key stakeholders in FISP. On a quarterly basis, the project continued to compile progress along the lines of its PMP indicators. This was done through filling in quarterly data forms that the project developed.

In the last quarter of the reporting year, the project developed a web-based M&E data database system with technical support from an IT consultant. Although development of the database is not yet complete, entry of data (accumulated over the past two years) into the system already started in August 2015. At the time of preparing this report, data entry functionalities of the database for almost all the modules of the database was complete. The key gap in the database, that is yet to be completed, is the report generation function of the database. The consultant expects to finalize this functionality by end October 2015. Development of this database is a key milestone for the project as it will significantly improve the project's capacity to manage its pool of data and generate customized reports.

The project recognizes that delivery of its training activities needs to be evaluated so that areas for improvement can be identified. As such, each training conducted by the project was subject to pre and post-tests. In this reporting year, the minimum pre-test score registered was 35% while the minimum post-test score 72%.

Table 5: Average scores for pre and post training test:

Nature of training	Pre-test score	Post test score
E-voucher training for Agro-dealers	35%	80%
Initial training for NASFAM pilot participants on mobile money and financial literacy	46%	72%
Mobile money agents training	71%	92%
Training for ACE staff on mobile money and financial literacy	90%	98.5%
Refresher training for NASFAM pilot participants on mobile money and financial literacy	49%	83%

The reason why the pre-test scores for NASFAM refresher and initial training are not so different than expected is that during the refresher training NASFAM end users that had limited literacy skills were advised to come along with family members who would be assisting them in transacting mobile money, so it was like starting all over again.

## 8. Lessons Learnt to date

The reporting year presented the project with significant number of lessons that are worth considering going forward.

### 8.1 Working with the private sector

In order to fully realize the goal and objectives of the Feed the Future Malawi Mobile Money private sector engagement with entities such as MNOs and Banks is key. It has been noted that unlike with the NGO sector, capacity for programming, reporting and documentation are low within the private sector institutions. The private sector institutions have not been able to produce detailed project proposals for pilots neither are they able to prepare detailed progress reports or document properly the success stories and lessons learnt. Going forward to effectively work with the private sector Feed the Future Malawi Mobile Money will need to design simple reporting and documentation templates for the private sector.

### 8.2 Reporting on mobile money transactions

In reporting on mobile money transactions, the project has been relying on data from the two MNOs (TNM and Airtel). However, with the introduction of the national switch, the scale-up of other bank-led mobile money services and the coming in of aggregators such as Zoono in the mobile money ecosystem, the data currently being captured by the project may not represent the true picture on the ground. Going forward, the project will deepen its relationships with banks and aggregators such as Zoono with an aim to access data that is not currently being obtained.

### ***8.3 Government and District Council engagement***

In this project working with Government particularly the District Councils has always proved to be vital but demanding exercise. One of the key lessons learnt is that involving the line Ministry when engaging the district councils is helpful because they bring in the credibility but also provide clarity to issues and questions from the District Executive Committee and it is easier to get buy-in from the district councils when line ministry is involved. During the implementation of the e-voucher pilot the Ministry of Agriculture facilitated all engagements with the District Councils and it was successful. Going forward as we plan to work with the District Councils on the Payment Innovations and Cost Utility Analysis, we will work with the Ministry of Finance as the line ministry to facilitate all the engagements.

### ***8.4 Integration of banking system***

Some pilots such as MUSCCO, ACE and MSB that Feed the Future Malawi Mobile Money has initiated relied on successful integration with MNOs (Airtel Money & TNM Mpamba) banking system. Experience has taught the project that this integration requires a significant amount of time to be completed. For example, MUSCCO's integration with Airtel Money took almost 6 months to complete. This needs to be taken into account when designing projects that require integration of banking systems.

### ***8.5 Adoption of mobile money at an organization level***

Raising awareness alone on the benefits of mobile money may not be enough for an organization to adopt the use of mobile money. Some organizations may lack the necessary equipment and infrastructure. A cross section of MFIs that attended the digital finance workshop held by the project in September 2015 pointed out that while they were interested to adopt use of m-money in their transactions, they felt they did not have the necessary equipment and infrastructure to do so.

## **Annex A: Indicator Table**

## **Annex B: Success Stories**





